Supreme Court, U.S.
FILED
SEP 15 1988
JOSEPH F. SPANIOL, JR.
CLERK

(4)

No. 87-1346

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

BONITO BOATS, INC.,
Petitioner,

v.

THUNDER CRAFT BOATS, INC.,
Respondent.

On Writ of Certiorari to the Supreme Court of the State of Florida

---

BRIEF AMICUS CURIAE OF XENETICS BIOMEDICAL, INC.

EDWARD S. IRONS *
919 - 18th Street, N.W.
Suite 800
Washington, D.C. 20006
(202) 785-6938

* Counsel of Record

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

QUESTION PRESENTED

Does Article I, § 8, cl. 8 of the Constitution preclude grant by the states of private monopolies that engross information in the public domain?

TABLE OF CONTENTS

	Page
QUESTION PRESENTED	i
TABLE OF AUTHORITIES	iv
INTEREST OF THE AMICUS CURIAE	1
STATEMENT OF THE CASE	2
SUMMARY OF ARGUMENT	3
ARGUMENT	7
I. Constitutional Imperatives	7
(i) European Antecedents	8
(ii) American Colonial Antecedents	15
(iii) Harmonious Construction of the Patent Clause With the Commerce Clause and The Fifth and Fourteenth Amendments	20
II. No Attenuation of *Sears/Compco*	21
III. *Interpart*—Another Aberrant Decision	23
CONCLUSION	30

TABLE OF AUTHORITIES

Cases Page

ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984).. 27
Allgeyer v. Louisiana, 165 U.S. 578 (1897) 19
American Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984) 29
Anderson's-Black Rock v. Pavement Salvage Company, 396 U.S. 57 (1969) 7, 18, 28, 29
Aronson v. Quickpoint Pencil Company, 440 U.S. 257 .....6, 21, 23
Atlantic Works v. Brady, 107 U.S. 192 (1883)..... 17
In re Benson, 441 F.2d 682 (CCPA 1971) 26
Bonito Boats Inc. v. Thunder Craft Boats Inc., 5 USPQ2d 1124 (Fla. 1987) 3
Brenner v. Manson, 383 U.S. 519 (1966) 24, 25
Buildex, Inc. v. Kason Industries, Inc., 7 USPQ2d 1325, —— F.2d —— (Fed. Cir. 1988) 29
Carmen Industries, Inc. v. Wahl, 724 F.2d 932 (Fed. Cir. 1983) 26
Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964) 3, 5, 7, 8, 21, 22
Connell v. Sears, Roebuck & Co., 722 F.2d 1542 (Fed. Cir. 1983) 26, 27, 29
Constant v. Advanced Micro-Devices, Inc., et al. 7 USPQ2d 1057, 1059 (Fed. Cir. 1988) 5
Dann v. Johnston, 425 U.S. 219 (1976) 7, 28
Diamond v. Chakrabarty, 447 U.S. 303, 318 (1980) 24
Diamond v. Diehr, 450 U.S. 175, 67 L.Ed.2d 155 (1981) 2, 24, 25, 26
Diamond Scientific Co. v. Ambico Inc., 6 USPQ2d 2028 (Fed. Cir. 1988) 6, 30
In re Diehr, 602 F.2d 982 (CCPA 1979) 26
In re The Dow Chemical Co., 837 F.2d 469 (Fed. Cir. 1988) 28
E.I. duPont DeNemours & Co. v. Berkeley & Co., 620 F.2d 1247 (8 Cir. 1980) 25
Envirotech Corporation v. Al George, Incorporated and Monosep, Inc., 830 F.2d 753 (Fed. Cir. 1984) 25

TABLE OF AUTHORITIES—Continued

Page

Evans v. Eaton, 16 U.S. (3 Wheat.) 454 (1818).... 15
Evans v. Eaton, 20 U.S. (7 Wheat.) 356 (1822).... 15
Evans v. Hettich, 20 U.S. (7 Wheat.) 453 (1822).. 15
In re Flook, 559 F.2d 21 (CCPA 1977) 26
Goldstein v. California, 412 U.S. 546 (1973).....6, 21, 22
Gottschalk v. Benson, 409 U.S. 63 (1972)..... 26
Graham v. John Deere Co., 383 U.S. 1 (1966).....3, 4, 5, 7, 18, 21, 28, 29
Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp., 340 U.S. 147 (1950) 17, 27, 29, 30
Greene v. McElroy, 360 U.S. 474 (1959) 20
Hollister v. Benedict & Burnham Manufacturing Co., 113 U.S. 59 (1885) 27
Hotchkiss v. Greenwood, 52 U.S. (11 How.) 248 (1850) 18, 28
Interpart Corp. v. Italia, 777 F.2d 678 (Fed. Cir. 1988) 6, 23, 24
In re Joly, 376 F.2d 906 (CCPA 1967) 25
Kewanee Oil Company v. Bicron Corporation, 416 U.S. 470 (1974) 6, 21, 22
In re Kirk, 376 F.2d 936 (CCPA 1967) 25
Lear, Inc. v. Adkins, 395 U.S. 653 (1969) 6, 30
Mastro Plastics v. NLRB, 350 U.S. 270 (1956)..... 20
Medtronic, Inc. v. Cardiac Pacemakers, Inc., 721 F.2d 1563 (Fed. Cir. 1983) 30
Moleculon Research Corp. v. CBS, Inc., 793 F.2d 1261 (Fed. Cir. 1986) 25
Morris v. Bransom (1776) 15
Panduit Corp. v. Dennison Manufacturing Co., 810 F.2d 1561 (Fed. Cir. 1987) 27
Parker v. Flook, 437 U.S. 584 (1978) 26
Railroad Dynamics, Inc. v. A. Stucki Co., 727 F.2d 1506 (Fed. Cir. 1984) 27
Raytheon Co. v. Roper Corp., 724 F.2d 951 (Fed. Cir. 1983)..... 30
Sakraida v. Ag Pro, Inc., 425 U.S. 273 (1976)..... 7, 29
Scott Paper Co. v. Marcalus Mfg. Co., 326 U.S. 249 (1945) 6, 30
Sears Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) 3, 5, 7, 8, 21, 22

TABLE OF AUTHORITIES—Continued

	Page
In re Sernaker, 702 F.2d 989 (Fed. Cir. 1983)	28
South Corp. v. United States, 690 F.2d 1368 (Fed. Cir. 1982)	26, 27
In re Tarczy-Hornoch, 397 F.2d 856 (CCPA 1968)	25
Thompson v. Boissler, 144 U.S. 1 (1885)	27
Union Carbide Corp. v. American Can Co., 724 F.2d 1567 (Fed. Cir. 1984)	28
United States v. Adams, 383 U.S. 39 (1966)	29, 30
United States v. Alpers, 338 U.S. 680 (1950)	20
United States v. American Trucking Assn's, Inc., 310 U.S. 534 (1940)	20
United States v. Boisdore's Heirs, 49 U.S. (8 How.) 113 (1850)	20

Statutes

35 U.S.C. § 101	2, 21, 23, 25, 26
35 U.S.C. § 102	2
35 U.S.C. § 103	18, 28
35 U.S.C. § 171	23
35 U.S.C. § 282	29
Fla. Anti-direct Molding Statute § (2)	2
Fla. Anti-direct Molding Statute § (3)	2
Fla. Anti-direct Molding Statute § (4)	2
1558 Statute of Apprenticeship	16
1624 Statute of Monopolies	13, 14, 15
Stamp Act	18
Townshend Acts	18
British Patents and Design Act, § 14(a) (1949)	15

Constitution

U.S. Const. Article I	4
U.S. Const. Article I, § 8, cl. 8	i
Fifth Amendment	3, 4, 17, 19, 20, 21
Fourteenth Amendment	3, 4, 19, 20, 21
Commerce Clause	4, 20, 21

Other Authorities

B. Bugbee, Genesis of American Patent and Copyright Law 12-48 (1967)	10, 11, 14

TABLE OF AUTHORITIES—Continued

	Page
Chisum, Patents § 4.02[2], Vol. 1, p. 4-12	24
3 E. Coke, *Institutes of the Laws of England* ch. 75, at 181 (1669)	11, 13
3 E. Coke, *Institutes of the Laws of England* ch. 85, at 181 (1797)	11
1787 Constitutional Convention	18
Declaration of Independence	19
Federico, *Origin & Early History of Patents*, 1 J. Pat. Off. Soc'y 292 (1927)	10, 13
H. Fox, Monopolies and Patents (1947)	10, 13, 14
Frumkin, *The Early History of Patents For Invention* 27 (1947-48)	11
Hulme, *The History of the Patent System under the Prerogative and at Common Law*, 12 Law Q. Rev. 141 (1896)	13
List of Infringements and Violations of Rights, Boston Town Meeting (1772)	18, 19
Magna Charta	17
P. Meinhardt, Inventions, Patents and Monopoly 45 (1946)	15
V. Mund, Monopoly—A History and Theory 6-7 (1932)	10, 15, 16
National Gazette, March 29, 1792	19
The New York Times, Sept. 12, 1988, p. D1	29
Prager, *A History of Intellectual Property from 1545 to 1787*, 26 J. Pat. Off. Soc'y 711 (1944)	9, 12
Prager, *The Early Growth and Influence of Intellectual Property*, 34 J. Pat. Off. Soc'y 106 (1952)	9, 11
Prager, *Standards of Patentable Inventions from 1474 to 1952*, 20 U. Chi. L. Rev. 69 (1952)	12, 13, 15
The Complete Madison 267-69 (S.K. Padover ed. 1953)	19
The Rights of the Colonists and a List of Infringements and Violations of Rights (1772)	18
1 B. Schwartz, The Bill of Rights 3 (1971)	17, 18, 20
1 Web. Pat. Cas, 31 n.(p) (1844)	14
2 The Writings of Samuel Adams 350-69 (H.A. Cushing ed. 1906)	18

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

No. 87-1346

BONITO BOATS, INC.,

Petitioner,

v.

THUNDER CRAFT BOATS, INC.,

Respondent.

On Writ of Certiorari to the Supreme Court of the State of Florida

---

BRIEF AMICUS CURIAE OF XENETICS BIOMEDICAL, INC.

This brief is filed pursuant to written consent of all the parties. Copies of the consent letters are concurrently being lodged with the Clerk.

INTEREST OF THE AMICUS CURIAE

Xenetics Biomedical, Inc., is a small, relatively new company engaged in the commercialization of biomedical products and devices. Xenetics Biomedical, Inc., like other companies similarly situated, depends for its survival upon an informed administration of the patent system. Some of its products are the subject of pending patent applications. Key to its continuing viability, however, is the progress indigenous to the unfettered free exercise of the skill of their calling by the scientists upon whom it depends.

Xenetics Biomedical, Inc. is therefore fundamentally interested in the disposition of this case and, in particular, in a ruling making it very clear that unpatentable subject matter belongs to the public.

STATEMENT OF THE CASE

Bonito Boats, Inc. (Bonito) designed a boat hull. "No part of Bonito's hull was patented." (Pet. Br. 3). It was sold in a "broad interstate market". Bonito's hull design is in the public domain.

"Direct molding" is a "process".[1] It is a patentable *kind* of subject matter. 35 U.S.C. § 101.[2] It is not patentable, however, because it is not *novel*. 35 U.S.C. § 102.[3] It is public property.

Under the Florida anti-direct molding statute:

> (2) It is unlawful for any person to use the direct molding process to duplicate for purposes of sale any manufactured vessel hull or component part of a vessel without prior written permission of that other person.

Sale of a hull duplicated in violation of Section (2) is unlawful under Section (3). Violators are subject to damages, attorneys' fees, and injunctive relief under Section (4).

The statute takes away from the public the right to use its direct molding process to duplicate the boat hull designs that are public property. It vests that right exclusively in boat hull manufacturers.

---

[1] It is a sequence of method steps.

[2] 35 U.S.C. § 101 states:

> Whoever invents or discovers any new and useful *process*, machine, *manufacture*, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor subject to the conditions and requirements of this title. [Emphasis added.]

[3] Section 101, however, is a general statement of the type of subject matter that is eligible for patent protection "subject to the conditions and requirements of this title." Specific conditions for patentability follow and § 102 covers in detail the conditions relating to novelty.

Diamond v. Diehr, 450 U.S. 175, 189, 67 L.Ed.2d 155, 167 (1981) (footnote omitted).

The Florida Supreme Court properly held the statute "to be unconstitutional" because

> Article I, section 7 of the United States Constitution empowered Congress to establish laws with respect to inventions and the states are precluded from second-guessing these laws by placing unauthorized restrictions upon their implementation.

Bonito Boats Inc. v. Thunder Craft Boats Inc., 5 USPQ2d 1124, 1126 (Fla. 1987).

SUMMARY OF ARGUMENT

1. Under the mandatory "*standard* expressed in the Constitution" the patent system "must 'promote the Progress of . . . useful Arts' ".[4] It is "the duty of the . . . courts . . . to give effect to the constitutional standard . . ." *id.* In the discharge of that duty, *Graham* refused "to find in § 103 a relaxed standard" and held instead that the statute "comports with the constitutional strictures" only if its "emphasis on nonobviousness is one of inquiry, not quality . . . *id.* at 17.

These constitutional imperatives require judicial rejection of statutory private monopolies that engross what is publicly known or subsumed by ordinary skill.

Such private monopolies are unconstitutional

—under the patent clause because they impede "Progress";

—under the constraints imposed on the patent clause by the fifth and fourteenth amendments which deny Congress the power to authorize patents that compromise the public's right to the free exercise of ordinary skills.

These imperatives instructed the decision in *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964) and *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234

---

[4] *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966) (emphasis by the Court).

(1964). The same imperatives invalidate the Florida anti-direct molding statute.

2. In general, those who contend otherwise, including the Petitioner and its amici, have ignored or failed to appreciate the need to read the patent clause with the balance of the Constitution or have overlooked significant aspects of relevant European and American history.

In Renaissance Europe and Elizabethan England patents were exclusive licenses from a sovereign permitting their recipients to practice a particular art in derogation of existing guild monopoly prerogatives over all arts and crafts.

When the Constitution was adopted monopolies were much in disrepute as infringements upon universal personal rights. English monopolies had accelerated and perhaps precipitated the establishment of the union of American states.

The American experiment provided the first political milieu in which every citizen was afforded *in practice* a right, tantamount to a property right, to exploit his own talents and skills in pursuit of a trade free of guild fetters or similar restraints. Indiscriminate grant of private patent monopolies clashed with this universal personal right of every citizen in the same way that it earlier conflicted with guild prerogatives.

To preserve this universal right, the patent clause and the commerce clause have separate status in Article I. These separate clauses, and the guarantees of individual liberties in the fifth and fourteenth amendments are rationalized and harmonized only if the "qualified authority" [5] of the patent clause is exercised not only to permit patents for advances that exceed ordinary skill *but also* to secure to the public the Progress spawned by free access to what is known and by the free exercise of ordinary skill.

---

[5] *Graham*, 383 U.S. at 5.

3. Like *Sears and Compco*, this case is charged with "unfair competition" and colored by perjorative characterization of the respondent for doing only what it had a constitutional right to do.

These perceived inequities do not authorize the grant of constitutionally prohibited private monopolies. Other provisions of the Constitution authorize federal or state subsidies of research and development.[6] These provisions, when construed to give effect to the limited patent power, do not authorize patents that engross information in the public domain.

4. In 1965-6 various patent bar and commercial amici in *Graham* argued that an "increased standard" for patentability had been "applied by the Court" and should be relaxed. The argument was rejected with the admonition that "the standard has remained invariable in this Court." *Graham*, 383 U.S. at 19.

Now, almost a quarter century later, Petitioner's various patent bar and commercial amici urge in this case that the court has consistently moved away from the 1964 decisions in *Sears* and *Compco*—and that it should continue in the same direction by reversing the Florida court.

As was the case in 1965-6, these urgings are misdirected. The *Sears/Compco* doctrine "has remained invariable in this Court". *Graham*, 383 U.S. at 19.

---

[6] Ample constitutional power for Government funding of research and development can be found in art. I, § 8, cl. 1 (provide for the common Defense and general Welfare), cl. 3 (Commerce), cl. 12 (Army), cl. 13 (Navy) and cl. 18 (necessary and proper clause). It is also settled that art. I, § 8 authorizes Congress to spend money to promote the "general welfare," and that the definition of the general welfare and decisions concerning how to promote it are within the discretion of Congress. *Helvering v. Davis*, 301 U.S. 619, 640 (1937); *Buckley v. Valeo*, 424 U.S. 1, 90-91 (1976). Government support for research and development is well within this discretionary power.

Constant v. Advanced Micro-Devices, Inc., et al., 7 USPQ2d 1057, 1059 (Fed. Cir. 1988).

The contrary view of Petitioner and its amici is bottomed primarily on *Goldstein v. California*, 412 U.S. 546 (1973); *Kewanee Oil Company v. Bicron Corporation*, 416 U.S. 470 (1974); and *Aronson v. Quickpoint Pencil Company*, 440 U.S. 257 (1979), none of which support it.

5. The Federal Circuit decision in *Interpart Corp. v. Italia*, 777 F.2d 678 (1988) is indeed "a misapplication of the *Sears/Compco* doctrine" and for the reasons set forth by the Florida Supreme Court majority.

Actually, the *Interpart* opinion is destroyed by its own recognition that a state statute creating a private right to exclude would "clash" with federal patent law.

Seemingly overlooked by the Federal Circuit is the fact that the California statute—like the Florida statute in this case—gives producers of a "manufactured item" (in Florida, a boat hull) which is in the public domain the *right to exclude* others from duplicating such items by use of information also in the public domain—the direct molding *process*.

Of much greater significance is the historical fact that *Interpart* is just one of a series of opinions rejecting federal patent doctrine as enunciated here, rendered first by the Court of Customs and Patent Appeals (CCPA) and then by the Federal Circuit. This campaign to rewrite the patent law by judicial fiat began at least as early as 1966. Its most recent implementation may be found in the June 3, 1988 opinion in *Diamond Scientific Co. v. Ambico Inc.*, 6 USPQ2d 2028 (Fed. Cir. 1988) which attacks the repudiation by this Court of patent licensee and assignor estoppel. *See*, e.g., *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969), *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945).

ARGUMENT

The Florida statute vests in manufacturers the exclusive right to use, for reproduction of hull designs that are not patentable, an old direct molding process which, but for the statute, would be in the public domain. The clash with federal patent policy is manifest. The Florida court could be summarily affirmed on this ground alone.

Summary disposition seems improvident in circumstances which exist here. The constitutional imperative which insures that all subject matter not of patentable quality remain free—albeit enforced in *Sears* and *Compco* —has not been definitively explicated by this Court. The need for such explication is underlined by the fact that Florida is but one of eleven states to adopt essentially the same invalid statute.

Of greater importance, the Federal Circuit has misconceived or declined to apply the constitutional principle which invalidates such statutes and guarantees that the Progress inevitably consequent from the exercise of ordinary skill shall remain unfettered. This misconception needs correction now for it is binding on the Patent Commissioner and on all of the federal district courts.

I. Constitutional Imperatives

1. The "patent system . . . by constitutional command must 'promote the Progress of . . . useful Arts.'" Two imperatives underpin this "command".[7]

The first imperative is that patents must be granted only for advances that exceed the ordinary skill in the art at the time. The second imperative is that advances of lesser quality are and must remain public property. Faithful discharge of "the duty . . . of the courts in the

---

[7] *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966); *Anderson's-Black Rock v. Pavement Salvage Company*, 396 U.S. 57, 61 (1969). See also *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976) (It has long been clear that the Constitution requires that there be some "invention" to be entitled to patent protection.) *Dann v. Johnston*, 425 U.S. 219 (1976).

administration of the patent system to give effect to the constitutional standard . . ." 383 U.S. at 6, requires an even-handed application of *both* imperatives.

The second imperative was dispositive in *Sears*[8] and *Compco*[9] as it is in this case. In the discharge of the duty to enforce that imperative this Court invoked

> the federal policy, found in Art. I, § 8, cl. 8 of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain. Here, *Day-Brite's* fixture has been held not entitled to a design or mechanical patent. Under the federal patent laws it is, therefore, in the public domain and can be copied in every detail by whoever pleases.

Compco, 376 U.S. at 237-238.

The lessons of history that prompted the framing of the Constitution define this federal policy and render its application mandatory in the administration of the patent system.

Those who contend otherwise, including the Petitioner and its amici, have ignored or failed to appreciate the need to read the patent clause with the balance of the Constitution or have overlooked significant aspects of relevant European and American history.

(i) European Antecedents

The limitations which constrain the patent power have their antecedents in Renaissance Europe and Elizabethan England.

Originally, patents were special exclusive licenses from a sovereign permitting recipients to practice a particular art in derogation of existing guild monopoly prerogatives over all arts and crafts.

---

[8] *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964).

[9] *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964).

Patents were granted randomly and individually rather than pursuant to an established administrative or statutory scheme.[10] The system of granting exclusive rights to individuals, whether for an invention *per se* or the importation of a new product,[11] seems to have been used in medieval times as an inducement to foreign craftsmen to settle in a particular country and teach new technology to its subjects. Absent such an inducement, foreign craftsmen would have been precluded by existing local guild monopolies from practicing any aspects of their arts in a new country.[12]

The guild monopolies were of ancient origin, having evolved from the third century, when Roman emperors utilized the sale of monopoly concessions in industry and trade as revenue-raising measures.[13] By the Middle Ages

---

[10] There is some evidence of the existence of a Venetian patent law in the early part of the fifteenth century that was specifically directed toward inventions in the field of machines and processes for speeding up and improving silk making. *See* Prager, *The Early Growth and Influence of Intellectual Property*, 34 J. Pat. Off. Soc'y 106, 130-31 (1952). The City-State of Venice certainly pioneered in the establishment of a formal patent system as evidenced by the statute adopted in 1474. *See* note 16 *infra* and accompanying text.

[11] For many years, the word "invention" embraced importations. *See* discussion in note 16 *infra*. For clarity it is utilized herein in its modern sense to refer only to original creations.

[12] For example, in the thirteenth century Edward III encouraged such new industries as the manufacture of worsted cloth from wool by granting a patent to Flemish immigrants. As late as the time of Elizabeth I, foreign workmen experienced in various aspects of the art of glassmaking were granted patents as an inducement to relocate in England and teach these arts to English subjects. "We want to abrogate those arbitrary institutions which . . . retard the progress of arts, by multiple difficulties put in the way of an inventor; those guilds that dispute his right to use a discovery never made by themselves . . . ." Prager, *A History of Intellectual Property from 1545 to 1787*, 26 J. Pat. Off. Soc'y 711, 714 (1944).

[13] Monopoly practices of the Roman emperors in the third and fourth centuries resulted in such heavy oppression of the common people, and in such internal agitation and strife, that Zeno, Emperor of the Eastern Roman Empire, in 483 outlawed some existing

these guilds had complete economic control of every aspect of commerce and the arts. They strictly regulated every aspect of price, cost, and manufacture, as well as worker education and security, enforcing their broad subject matter monopolies rigorously within their geographic ambits by such methods as arbitrary search of nonmembers' premises and preemptory confiscation of unauthorized goods. The guilds were, in general, not interested in promoting technological progress either through introduction of new inventions or otherwise. The impetus within the guilds was instead for economic stabilization and stagnation, *inter alia*, by suppression and restraint of inventions that infringed or might infringe upon guild monopolies.[14]

As originally conceived, patents for both inventions and importations had a triple purpose: First, to encourage new manufacturers in the realm, thereby promoting commerce; second, to educate the interested people of the

---

and all future monopoly awards. V. Mund, Monopoly—A History and Theory 6-7 (1932).

The Roman law, however, permitted many established commercial monopolies to subsist throughout, and these monopolies in the form of guilds survived the fall of Rome—perhaps because of their relative stability in the chaotic political situation that followed. Mund points out that during the Middle Ages, up to at least the twelfth century, the term "monopoly" was not applied to the guilds or the equally monopolistic agricultural manors even though it certainly fit both. *Id.* at 8-10.

[14] Like all generalities this one had its exceptions, many of which are pointed out in books by Bugbee and Fox. *See* B. Bugbee, Genesis of American Patent and Copyright Law 12-48 (1967); H. Fox, Monopolies and Patents (1947). It is a matter of historical record, however, that the guilds often brought to bear very heavy pressures to restrain technological progress. For example, reference is made by Federico to the refusal in England during the reign of Elizabeth I of a patent on a stocking knitting machine, characterized as "one of the most original and striking inventions of the age," because of guild objections that many would be forced out of work if the machine were put into use. Federico, *Origin & Early History of Patents*, 11 J. Pat Off. Soc'y 292, 298 (1927). *See also* H. Fox, *supra* at 74.

realm in new technology, thereby raising the level of their ordinary skill and promoting further inventions; and third, to afford inventors a right, otherwise belonging only to the guilds, to profit by commercial practice of their inventions. The guilds, as repositories of and autocrats over technology reflecting the prevailing level of ordinary skill in the art, particularly opposed the grant of individual monopolies—"patents"—either for new inventions or newly imported manufactures, where the effect of such grants would be to inhibit guild members in the exercise of the skills of which they were already in possession.[15]

The formal patent statute adopted by the Venetian Republic in 1474 was consistent with these principles. While explicitly recognizing the need to encourage the work of "men of great genius apt to invent and discover ingenious devices," the statute carefully preserved the rights of the guilds and minimized the invasion of their prerogatives by requiring that the exclusive patent right be limited to a term of ten years and be awarded only for "any new *and ingenious* devise . . . not previously made in our Commonwealth . . . reduced to perfection so that it can be used and operated." [16] The statute thus reflects

---

[15] Sir Edward Coke defined monopoly as

> an institution or allowance by the King, by his grant, commission, or otherwise, to any person or otherwise, to any person or persons, bodies politic or corporate; of or for the sole buying, selling, making, working or using anything; whereby any person or persons, bodies politic or corporate, are sought to be restrained of any freedom or liberty that they had before, or hindered in their lawful trade.

3 E. Coke, *Institutes of the Laws of England*, ch. 85, at 181 (1797); 3 *Id.* ch. 75, at 181 (1669).

[16] For a reproduction of the *full* text of this Venetian statute see B. Bugbee, supra, note 14, at 22-23. Bugbee acknowledges in a footnote the existence of a different translation of the same statute. *See* M. Frumkin, *The Early History of Patents For Invention* 27 (1947-48). The critical wording of the original Italian "nuovo et ingegnoso artificio" is also reproduced in Prager, *The Early Growth*

the recognition in Venetian society of a need to balance the guilds' interest in protecting the members' continued right to the full exercise of ordinary judgment and skill in the art with the realm's desire to encourage commercial progress. The Venetians struck the balance by rewarding *only* inventions exhibiting ingenuity *above* the level of ordinary skill in the art. Three centuries later the Constitution struck the same balance.

The English patent system, which evolved concurrently with that of Venice, was parallel in many respects to the Venetian system, even though not governed by any formal statutory or administrative practice until much later. Patents came into particular prominence during the reign of Elizabeth I, who utilized them not only as a tool for promoting commercial and intellectual progress, but also as an instrument of royal favor—a circumstance that led to numerous abuses because of indiscriminate awards of monopolies in common commodities ranging from such relative frivolities as playing cards to such necessities as

---

and Influence of Intellectual Property, 34 J. Pat. Off. Soc'y 106, 139 (1952).

As of 1474 there was no effective way in which new technology could be communicated to the public other than to put the article or process into practical use in commercial channels. The art of printing was then in its earliest infancy, and published material was expensive and scarce.

The connection between the unavailability of publication disclosing new technology up to the eighteenth century, or even later, and the early practice in England and on the Continent of classifying importers as "inventors" was recognized by Prager. Prager, *Standards of Patentable Inventions from 1474 to 1952*, 20 U. Chi. L. Rev. 69 (1952); Prager, *A History of Intellectual Property from 1545 to 1787*, 26 J. Pat. Off. Soc'y 711 (1944). He emphasized: "That early English practice identified importers with inventors does not show any lack of interest in the merits of the items invented or imported. It only shows that, before the advent of technical instruction in print, disclosure of new technology required actual commercial introduction and use." Prager, *Standards of Patentable Invention From 1474 to 1952*, 20 U. Chi. L. Rev. 69, 71 (1952).

salt.[17] The *validity* of patents in this period, however, was within the province of the English courts. These courts applied criteria essentially the same as those mandated by the Venetian statute of 1474 and those now demanded by our Constitution.

Thus history records that prior to the 1624 Statute of Monopolies, English courts regularly invalidated patents granted for subject matter that was admittedly novel, but well within the prevailing level of ordinary skill of the art. In one such case, *Matthey's Patent*, a patent granted in 1571 for a particular type knife handle, was challenged by the cutler's guild on the ground that "they did use to make knives before, though not such hafts, that such a light difference or invention should be no cause to restrain them. . . ." [18] The challenge resulted in a decision that Matthey "could never have benefit of his patent although he labored very greatly therein." Another such case, *Hasting Patent*, involved a patent for a certain kind of cloth granted in 1569, but refused enforcement against a guild which demonstrated that its members had, prior to the patent, made cloth "very like to" (albeit not the same as) that covered by the patent.[19] Still another case, *Bircot's Patent*, involved a patent apparently granted prior to 1600 [20] for a new method of smelting. Concluding that the subject matter disclosed "was but to put a new button on an old coat, and it is

---

[17] *See* H. Fox, *supra* note 14.

[18] Quoted in Prager, *Standards of Patentable Inventions From 1474 to 1952*, 20 U. Chi. L. Rev. 69, 71. The same patent case is also mentioned by Federico, but the inventor "Matthey" is referred to as "Richard Matthew." Federico, *supra* note 14, at 297.

[19] *See* Prager, *Standards of Patentable Inventions from 1474 to 1952*, 20 U. Chi. L. Rev. 69, 72 (1952). *See also* Hulme, *The History of the Patent System under the Prerogative and at Common Law*, 12 Law Q. Rev. 141, 149-50 (1896).

[20] Prager indicates that this case was reported in the *Institutes* of Sir Edward Coke, first published shortly after 1600. Prager *Standards of Patentable Inventions from 1474 to 1952*, 20 U. Chi. L. Rev. 69, 72 (1952).

much easier to add than to invent," [21] the court declared the patent invalid.

These early English cases are particularly significant in at least two respects. First, the apparently spontaneous selection of a standard of invention above the ordinary level of skill in the art, independently of the same selection in Venice, is persuasive evidence of *English courts' recognition that society could not function satisfactorily if patents were allowed to interfere with the normal exercise by the guilds of ordinary skill in their respective arts.* Second, the essentiality of this requirement to the proper functioning of society is emphasized by the fact that these cases were decided prior to the enactment of the Statute of Monopolies in 1624, and hence at a time when the right of the Crown to grant patents arbitrarily and even capriciously enjoyed full sway.[22]

After the adoption of the Statute of Monopolies, the English courts continued to require inventive merit as a prerequisite to the enforcement of patents. In particular, the principle of *Bircot's Patent*—"it is much easier to

---

[21] *Id. quoting* 1 Web. Pat. Cas, 31 n.(p) (1844).

[22] The abuses of the patent power by the Crown prior to the Statute of Monopolies are well known and have been extensively documented by many writers. *See, e.g.*, B. Bugbee, *supra* note 14; H. Fox, *supra* note 14. It is important to recognize that the Statute curbed only some monopolies. It left intact not only patents for inventions (including importations), but also "patents," charters, and franchises previously granted that conveyed exclusive trading and manufacturing privileges to guilds, corporations and similar groups. The monopolies abolished by the statute, though constituting the ones at that time most bitterly resented by the common people, constituted a relatively narrow class of "patents" granted to royal favorites on old commodities such as salt and playing cards. *See* text accompanying notes 17-18 *supra*.

The statutory abolition of the Crown's power to grant arbitrary "patent" monopolies was initially more formal than real. The actual grant of such odious monopolies by the Crown continued for about fifty years after 1624.

add than to invent"—was strictly observed by the English courts for many years.[23]

(ii) American Colonial Antecedents

The colonization of America was initiated almost contemporaneously with the 1624 Statute of Monopolies, at a time when economic regimentation in England was at an exceptionally high level.[24]

---

[23] According to Prager, this was the position of the English courts up to the 1776 case of *Morris v. Bransom*, in which a more lenient view of "inventive merit" was adopted. Prager, *Standards of Patentable Inventions from 1474 to 1952*, 20 U. Chi. L. Rev. 69, 72 (1952). The first Supreme Court patent case, *Evans v. Eaton*, 16 U.S. (3 Wheat.) 454 (1818), established that, while improvement patents could be given effect in this country, it was incumbent on their inventors to clearly delineate the extent of the improvement and distinguish it from the thing improved. *See also Evans v. Eaton*, 20 U.S. (7 Wheat.) 356 (1822); *Evans v. Hettich*, 20 U.S. (7 Wheat.) 453 (1822).

The failure of the English system to examine for "inventive merit" prior to the grant of a patent persisted from before the time of Elizabeth I to 1949 when a statute—the Patents and Design Act, § 14(a) (1949)—was adopted, which required the British Patent Office and, implicitly, its adjunct appellate courts, to deal with questions of invention raised by third parties in opposition to the grant of a patent. *See generally* P., Meinhardt, Inventions Patent and Monopoly 45 (1946).

[24] V. Mund, *supra*, note 13, at 23:

> The economic system of restriction and regulation reached its peak in England during the seventeenth century. Most of the old restraints persisted and with the growth of trade many new ones developed. The corporate towns and guilds continued to restrict the admission of new members and became, in the words of a contemporary writer, "oppressive oligarchies, excluding or discouraging the English subjects from trading in our greatest and best situated towns where the markets are." Merchants began to join their stocks of goods, and to share the profits and losses, instead of trading individually. Such companies were known as joint stock companies and received exclusive charters from the king. Further restrictions on trade were imposed by an extensive system of custom duties and by the Navigation Acts of 1651 and 1660. The Navigation Acts obliged English subjects to use English

The settlers who emigrated from England and Continental European [25] countries to the American colonies—although of widely diverse economic, social, and political background—had each in their own separate ways experienced the prevailing economic system of monopolies. Notwithstanding their diverse interests, these settlers were preponderantly united in the desire for greater individual freedom and less regimentation, and in a willingness to forego personal comforts in order to attain this desire. In particular, the colonists believed that every man should have the right to exploit his own talents without arbitrary interference from or regulation by exclusive corporations, trading companies, and the like.[26] With this notion of individual personal liberty came a deep-rooted aversion to other monopolistic practices.[27] These ideas were important in the later formula-

---

ships for all goods imported from, or exported to, Asia, Africa or America; and to use English ships or ships of the country which produced the goods, for all things imported from, or exported to, European ports. Never before had English trade been circumscribed with so many regulations.

[25] Mund states that economic regimentation similar to that in England was also then rife throughout Western Europe. *Id.* at 28 *passim*.

[26] Exclusive corporations evolved in England from the guilds and were chartered during the seventeenth and eighteenth centuries. These exclusive corporations retained the special privileges and monopoly powers with which they had been endowed at their original creation, as well as those special privileges with which they were later invested by English law. Thus, for example, under the 1558 Statute of Apprenticeship, eligibility to practice a trade was severely restricted because satisfactory completion of a seven-year apprenticeship, which was a prerequisite, could be achieved only by those to whom the relevant guild gave full approbation. *See id.* Mund also demonstrates that English and French economists in the eighteenth century were increasingly inspired to preach repudiation of this monopolistically-oriented economic regimentation in favor of a *laissez-faire* economy.

[27] Legal writers and historians tend to sentimentalize the "rights of Englishmen" and thereby to give the impression that personal liberty was in the English tradition, at least subsequent to the

tion of the Constitution, and especially the patent clause and the Fifth Amendment.

Focal to these ideas was the understanding that the *private* monopolization of *un*exceptional advances is *twice* evil.

First, progress is promoted when the exercise of ordinary skill is unfettered—and impeded when it is not.

As this Court has said:

> The process of development in manufactures creates a constant demand for new appliances, which the skill of ordinary head-workmen and engineers is generally adequate to devise, and which, indeed, are the natural and proper outgrowth of such development. Each step forward prepares the way for the next, and each is usually taken by spontaneous trials and attempts in a hundred different places. To grant to a single party a monopoly of every slight advance made, except where the exercise of invention, somewhat above ordinary mechanical or engineering skill, is distinctly shown, is unjust in principle and injurious in its consequences.[28]

Magna Charta. While it is true that "[t]he roots of American freedom are . . . to be found in English constitutional history," 1 B. Schwartz, The Bill of Rights 3 (1971), it is also true that these English rights have throughout history been far more often honored in the breach than in the observance. In the seventeenth and eighteenth centuries their exercise was much inhibited by rampant economic monopolization and, at times, by arbitrary restrictions imposed by the sovereign. Moreover, these rights have always been, at best, contractual rights arrived at as an accommodation between people and the sovereign.

Even today, English liberties exist at the sufference of parliament and are subject to change by duly enacted statutes. By contrast, individual liberties in the United States derive directly from the sovereignty of the people themselves under the authority of the Constitution, and hence constitute restraints upon congressional power.

[28] *Atlantic Works v. Brady*, 107 U.S. 192, 199-200 (1883). This passage was quoted in *Great Atl. & Pac. Tea Co. v. Supermarket*

Second, the grant of private monopolies for advances that do not exceed ordinary skill would infringe as directly upon the opposing and preeminent rights of citizens in our culture as similar grants infringed upon guild monopolies in Venice and Elizabethan England.

Every school child is familiar with the "monopoly on tea that sparked the Revolution," [29] and with the excesses of the Stamp Act and the Townshend Acts. Less well known is the *List of Infringements and Violations of Rights* drawn up by the Boston Town Meeting in 1772 that complained of the English action:

> The restraining us from erecting Stilling Mills for manufacturing our Iron the natural produce of this Country, *Is an infringement of that right with which God and nature have invested us, to make use of our skill and industry in procuring the necessaries and conveniences of life.*[30]

The years immediately following the Revolution and preceding the framing of the Constitution were a time of economic and political experimentation; the new country, as a loose union of sovereign states, groped toward a workable form of government embodying the individual rights to which the people had pronounced themselves entitled.

The annals of the 1787 Constitutional Convention shed very little light on the debate concerning the adoption of the patent clause.

Equip. Corp., 340 U.S. 147, 155 (1950) (Douglas, J., concurring). The latter is in turn reaffirmed in *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 61 (1969). *See also Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1850) (expresses this same thought, now codified in 35 U.S.C. § 103 (1970)).

[29] *Graham v. John Deere Co.*, 383 U.S. 1, 7 (1966).

[30] 1 B. Schwartz, The Bill of Rights 3, at 209 (1971), *quoting* The Rights of the Colonists and a List of Infringements and Violations of Rights, para. 9 (1772), *contained in* 2 The Writings of Samuel Adams 350-69 (H.A. Cushing ed. 1906).

More information in demonstrating the intent of the constitutional Framers in adopting the patent clause is a consideration of various writings and actions of the constitutional Framers, and an analysis of this Court's interpretation of the patent clause over the years.

James Madison, one of the most influential constitutional Framers, set forth his concepts of "property and liberty" in terms that are particularly meaningful even today. According to Madison, a man

> has an equal property in the free use of his faculties and free choice of objects on which to employ them.
>
> • • • •
>
> This is not a just government, nor is property secure under it where arbitrary restrictions, exemptions, and monopolies deny to part of its citizens that free use of their faculties, and free choice of their occupations. . . .[31]

Consistent with Madison's views, the fifth and fourteenth amendments recognize, as property of *every citizen*, the right to utilize his own talents and skills in the pursuit of a trade or calling.[32] This Court has several times explicated this right and its immutable nature. In *Allgeyer v. Louisiana*, 165 U.S. 578 (1897) the Court with reference to the fourteenth amendment rights stated:

> The liberty mentioned in that amendment . . . is deemed to embrace the right of the citizen *to be free in the enjoyment of all his faculties; to be free to use them in all lawful ways; to live and work where he will; to earn his livelihood by any lawful calling; to pursue any livelihood or avocation*, and for that purpose to enter into all contracts which may be proper,

---

[31] The Complete Madison 267-69 (S.K. Padover ed. 1953) (quoting National Gazette, March 29, 1792).

[32] Or as the 1772 Boston Town Meeting put it, in pursuit of the "necessaries and conveniences of life." *See* note 30 *supra* and accompanying text. The same thought expressed as the right to "life, liberty and the pursuit of happiness" appears in the Declaration of Independence.

necessary, and essential to his carrying out to a successful conclusion the purposes above mentioned.[33]

(iii) Harmonious Construction of the Patent Clause With the Commerce Clause and The Fifth and Fourteenth Amendments

A constitution, like a statute, must be read as a whole so as to give effect to all of its parts without doing violence to any.[34] If no specific patent power had been extended, the broad scope of the Commerce Clause would authorize the unrestrained grant of patents. It follows that a *separate* patent clause was included as a limited exception to the general prohibition against monopolies—*not* as a stimulant to commerce but only as an "encouragement to genius" which would not impede the exercise of ordinary skill.[35]

---

[33] *Id.* at 589-590 (emphasis added). See also *Greene v. McElroy*, 360 U.S. 474 (1959).

[34] *Mastro Plastics v. NLRB*, 350 U.S. 270 (1956); *United States v. Alpers*, 338 U.S. 680 (1950); *United States v. American Trucking Assn's, Inc.*, 310 U.S. 534 (1940); *United States v. Boisdore's Heirs*, 49 U.S. (8 How.) 113 (1850).

[35] In debate prior to ratification the antifederalists sought an express prohibition in the Constitution against monopoly. In asserting that it was not needed because, in effect, already present, a Federalist writing under the pseudonym "Marcus" responded:

> One of the powers given to Congress is, "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." I am convinced Mr. Mason did not mean to refer to this clause. He is a gentleman of too much taste and knowledge himself to wish to have our government established upon such principles of barbarism as to be able to afford no encouragement to genius.

The Antifederalist view as to the impermissible sweep of the commerce clause was espoused by George Mason of Virginia, by a person styled "Agrippa" who prepared several pamphlets (who may have been James Winthrop of Massachusetts), and even to some extent by Thomas Jefferson who initially believed that the Constitution might benefit from a Bill of Rights provision expressly prohibiting all monopolies including patents. *See generally* 1 B. Schwartz, *supra* note 27, at 446, 512.

Construed harmoniously, the fifth and fourteenth amendments combine with the patent clause to deny Congress the power, under the Commerce Clause or any other provision of the Constitution to authorize the granting of patents that would deprive the public of free access to knowledge within the ordinary skill of the art.

II. No Attenuation of *Sears/Compco*

In 1965-6 various patent bar and commercial amici in *Graham* argued that an "increased standard" for patentability had been "applied by the Court" and should be relaxed. The argument was rejected with the admonition that "the standard has remained invariable in this Court." *Graham*, 383 U.S. at 19.

Now, almost a quarter century later, Petitioner's various patent bar and commercial amici urge in this case that the court has consistently moved away from the 1964 decisions in *Sears* and *Compco*—and that it should continue in the same direction by reversing the Florida Court.

As was the case in 1965-6, these urgings are misdirected for the *Sears/Compco* doctrine "has remained invariable in this court".

The contrary view of Petitioner and its amici is bottomed primarily on *Goldstein v. California*, 412 U.S. 546 (1973); *Kewanee Oil Company v. Bicron Corporation*, 416 U.S. 470 (1974); and *Aronson v. Quickpoint Pencil Company*, 440 U.S. 257 (1979), none of which support it.

Goldstein, the first of these cases involved copyrights—not patents. The constitutional considerations which dictated the holdings in *Sears* and *Compco* simply were not relevant. The *Goldstein* opinion points that out[36]—and

---

[36] In regard to mechanical configurations [i.e., subject matter patentable under 35 U.S.C. § 101]. Congress had balanced the need to encourage innovation and originality of invention against the need to insure competition in the sale of identical or substantially identical products. The standards established for granting federal patent protection to machines thus indi-

then "reaffirm[ed] today" its "*decisions* in Sears and Compco . . .", 412 U.S. at 571. The dissenting opinions, albeit disagreeing with the *judgment* in *Goldstein*, make it unambiguously clear that *Sears* and *Compco*, which involve *patent* doctrine are correctly decided.

Kewanee was a private contract case involving trade secrets. The majority was at pains to point out that "[t]he subject of a trade secret must be secret, and must not be of public knowledge . . .", 416 U.S. at 475. The majority appropriately recognized that "Nothing in the patent law requires that States refrain from action to prevent industrial espionage", 416 U.S. at 487. The dissenters in effect agreed: "Damages for breach of a confidential relation is not preempted by this patent law. . .", 416 U.S. at 498 (Justice Douglas and Brennan dissenting).[37]

> cated *not only* which articles in this particular category Congress wished to protect, *but which configurations it wished to remain free*. The application of state law in these cases to prevent the copying of articles which did not meet the requirements for federal protection disturbed the careful balance which Congress had drawn and thereby necessarily gave way under the Supremacy Clause of the Constitution.

Goldstein v. California, 412 U.S. 546, 569-70 (1973) (emphasis added).

[37] Dissenting Justices Douglas and Brennan also prudentially urged that "an injunction against use [of a misappropriated trade secret] is pre-empted" because "an injunction barring disclosure does service for the protection accorded valid patents and is therefore pre-empted. . . . It is that constitutional policy which we should enforce, not our individual notions of the public good." 416 U.S. at 498-99.

The premise of these dissenting Justices is, of course, valid—but it was misdirected in *Kewanee*. The state court injunction which the majority reinstated, 416 U.S. at 493, was appropriately limited to preclude only "the disclosure or use by respondents of 20 of the 40 trade secrets until such time as the trade secrets had been released to the public or had been obtained by respondents from sources having the legal right to convey the information", 416 U.S. at 974.

Aronson involved only the enforcement of a private contract to pay royalties for the "opportunity to be the first to market", 440 U.S. at 266. *Sears* was correctly deemed inapposite because "Enforcement of the agreement does not withdraw any idea from the public domain . . . . the design entered the public domain as a result of the manufacture and sale of the keyholders under the contract", 440 U.S. at 263.

En route to its decision the Aronson court reaffirmed the imperative that underpins *Sears* and *Compco*—i.e., that "the stringent requirements for patent protection seek to assure that idea in the public domain remain there for the free use of the public" *id.* at 262.

III. *Interpart*—Another Aberrant Decision

(1) Federal Circuit Judge Rich's syllogistic opinion in *Interpart Corp. v. Italia*, 777 F.2d 678 (1988) self-destructs on its own flawed minor premise.

According to *Interpart*:

> (i) "The patent law . . . grants to inventors the right . . . to exclude others from making, using, or selling their patented inventions", 777 F.2d at 684;
>
> (ii) the California statute "does not give the creator of the product the right to exclude others from making, using, or selling the *product* as does the patent law" *id.* at 684-85 (emphasis added);
>
> (iii) ergo, "the California law does not 'clash' with the federal patent law" *id.* at 685.

Premise (ii) is invalid because the "right to exclude others" granted by the patent law is *not* limited to "product[s]"—but includes, among other things, processes, such as the direct molding process, 35 U.S.C. § 101, and designs, 35 U.S.C. § 171.[38]

---

[38] 35 U.S.C. § 171 states:

> Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.

A fair and unbiased statement of the same syllogistic argument demonstrates the fatal "clash" with the patent law that invalidates both the California and the Florida anti-direct molding statutes. The focal premise (ii) and compelled conclusion of such a *fair* statement might read:

> —The anti-direct molding statutes give the manufacturers of items, including boat hulls, the right to exclude others from using the publicly owned direct molding process to duplicate the publicly owned design of such items.
>
> —Ergo the statutes "clash" with federal patent law and are invalid.

(2) For this court *Interpart* is of challenging significance for it is one of many aberrant decisions of essentially common origin which, for more than twenty years, have consistently rejected federal patent law as enunciated here.

The Court of Appeals for the Federal Circuit was created to resolve "conflict" in the judicial application of the patent laws. Contrary to the popular belief, the cardinal conflict did *not* implicate the territorial circuits. Among these appellate courts, conflict in decision, with consequent evils such as "forum shopping", was not shown to be more egregious in the patent context than in other areas of law. The overweening dispute was reflected by opinions of the Court of Customs and Patent Appeals (CCPA)—and by opinions of its judges sitting by designation elsewhere—which were at odds with the decisions of this Court.[39]

In 1966 *Brenner v. Manson*, 383 U.S. 519 "clearly [held] that discovery of a specific and substantial utility is a requirement of a patentable invention . . ." [40] under

[39] The history of this conflict is written in the opinions of both courts and by the writings of CCPA judges. See, e.g., the pointed dissent by Justices Stevens, Brennan, Marshall and Blackmun in *Diamond v. Diehr*, 450 U.S. 175, 193 (1981) and the dissent by Justices Brennan, White, Marshall and Powell in *Diamond v. Chakrabarty*, 447 U.S. 303, 318 (1980).

[40] Chisum, Patents § 4.02[2], Vol. 1, p. 4-12.

35 U.S.C. § 101. Shortly thereafter, the CCPA in *In re Joly* [41] and *In re Kirk* [42] applied *Brenner* to sustain Patent and Trademark Office (PTO) rejections of patent applications for lack of an adequate disclosure of utility—but not without strong dissents. In 1980, then CCPA Chief Judge Markey, sitting by designation in the Eighth Circuit, completed the interment of *Brenner* with the assertion that "the defense of non-utility cannot be sustained without proof of total incapacity".[43]

The lengthy dissent by Justices Stevens, Brennan, Marshall and Blackmun in *Diamond v. Diehr*, 450 U.S. 175, 193 (1981) "chronicles a dramatic change" beginning with "two decision in 1968" in the patent law "as understood by the Court of Customs and Patent Appeals" *id.* at 198. The dissent notes that doctrine enunciated by "this Court, and the lower federal courts, including the Court of Customs and Patent Appeals" with 70 years of constant adherence was rejected as contrary to "the basic purposes of the patent system and productive of a range of undesirable results from the harshly inequitable to the silly" *id.* at 198 (quoting *In re Tarczy-Hornoch*, 397 F.2d 856, 867 (CCPA 1968); that "[s]hortly thereafter, a similar fate befell the 'mental steps' doctrine"; that the CCPA "soon replaced the overruled doctrines with more expansive principles formulated with computer technology in mind", and thereafter announced a "new standard for

[41] 376 F.2d 906 (CCPA 1967).

[42] 376 F.2d 936 (1967).

[43] *E.I. duPont DeNemours & Co. v. Berkeley & Co.*, 620 F.2d 1247, 1260, n.17 (8th Cir. 1980). The Federal Circuit cited and followed *duPont* in *Envirotech Corporation v. Al George, Incorporated and Monosep, Inc.*, 830 F.2d 753, 762 (Fed. Cir. 1984) ("Some degree of utility is sufficient for patentability"). *Envirotech*, in turn, was applied in *Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1269 (Fed. Cir. 1986):

> Manifestly, CBS did not come close to meeting the burden of a non-utility defense by proving total incapacity with facts supported by clear and convincing evidence. *See Envirotech Corp. v. Al George, Inc.*, 830 F.2d 753, 762 (Fed. Cir. 1984).

evaluating process claims under [35 U.S.C.] § 101", 450 U.S. at 200.

The *Diehr* dissent goes on to point out that this Court, in effect, rejected the CCPA's restatement of the patent law as it pertains to process claims by its reversal in *Gottschalk v. Benson*, 409 U.S. 63 (1972) of *In re Benson*, 441 F.2d 682 (CCPA 1971)—whereupon the Court of Customs and Patent Appeals began to narrow the interpretation of *Benson* in a series of cases culminating in *In re Flook*, 559 F.2d 21 (1977) which was reversed in *Parker v. Flook*, 437 U.S. 584, (1978), in its turn "trivializ[ed]", 450 U.S. at 205 by a series of CCPA decisions culminating in *In re Diehr*, 602 F.2d 982, affirmed 5 to 4 by *Diamond v. Diehr*, 450 U.S. 175 (1981)—not on the merits of the focal § 101 issue presented—but on the majority's reading of the claims at issue to define "a process for curing synthetic rubber", see 450 U.S. at 177; 206.

While this dispute between the Supreme Court and the CCPA was ongoing, legislation creating the Federal Circuit was enacted. The new court opened for business on October 1, 1982. The contention with this court predictably continues.

The new court acted immediately to satisfy "the uniformity imperative that informed [its] creation".[44] On October 28, 1982, only four weeks after its inception, the Federal Circuit ordered that decisions of its predecessor courts "shall be binding as precedent in this court",[45] and thus resolved in favor of the CCPA all conflicts between that court and the territorial circuits. Six weeks later, the court stressed that in the event of conflict with the territorial circuits, "the precedents of this court must control" [46] on all patent law issues.

---

[44] *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983).

[45] *South Corp. v. United States*, 690 F.2d 1368 (Fed. Cir. 1982).

[46] *Carmen Industries, Inc. v. Wahl*, 724 F.2d 932, 938 (Fed. Cir. 1983). (Footnote citing, *inter alia*, *South Corp.* omitted.)

So postured, the court has proceeded in disregard of the rule it admonishes others to follow, i.e.

> "Judicial power is never exercised for the purpose of giving effect to the will of the judge; always for the purpose of giving effect to the will of the legislature; or, in other words, to the will of the law." *Osborn v. Bank of the United States*, 22 U.S. (9 Wheat.) 738, 866, 6 L.Ed. 204, 234 (1824) [47]

The opinions evidencing such disregard reach virtually every aspect of the patent law which has come before the Federal Circuit for decision—and many other aspects that have not.

Perceived errors, which did not influence district court judgments, were "corrected" by "distasteful dicta" explicating the patent law as it would be and is applied by the Federal Circuit.[48]

A non-exhaustive list of such opinions makes the point:

(i) Rejecting this Court's repeated and consistent teachings that the administration of the patent laws must comport with Constitutional strictures,[49] the Federal Cir-

---

[47] *Panduit Corp. v. Dennison Manufacturing Co.*, 810 F.2d 1561, 1569-70, n.16 (Fed. Cir. 1987).

[48] "This section [on 'Standard of Review'] is distasteful dicta deemed desirable only in view of . . . the indication of the need in the briefs here and on other appeals." *Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506, 1510, n.2 (1984)

> Though this court has not yet established a large body of guiding precedent, a beginning must be made toward the goal of uniformity and reliability in the patent laws. A part of that beginning involves our stating disagreement when the same is present. . . .

Connell, supra, n.44, 722 F.2d at 748.

"This court has in recent months issued a number of opinions addressing the analysis of obviousness under section 103 and those opinions provide a comprehensive guide to analysis. . . ." *ACS Hospital Systems, Inc. v. Montefiore Hospital*, 732 F.2d 1572, 221 USPQ 929, 932 (Fed. Cir. 1984).

[49] See, e.g., *Hollister v. Benedict & Burnham Manufacturing Co.*, 113 U.S. 59 (1885); *Thompson v. Boisselier*, 144 U.S. 1 (1885); *Great A & P Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152

cuit admonished counsel to "find it unnecessary to speak of the Constitutional rather than the statutory [i.e., § 103] standard of patentability." *Union Carbide Corp. v. American Can Co.*, 724 F.2d 1567, 1573-4 (Fed. Cir. 1984).

(ii) It was the duty of the Federal Circuit to adopt the constitutional patentability standard which has "been invariable in this Court" since *Hotchkiss v. Greenwood* was decided in 1851. *Graham*, 383 U.S. at 19. Disregarding Graham's teaching that § 103 is valid *only* if construed to implement the Constitutional patentability standard, the Federal Circuit has established in 1983 and has since enforced the rule that inventions are *not* "obvious" under § 103, and therefore are *patentable, unless* "*suggested* expressly or by implication by the prior art".[50] Under Federal Circuit law, the word "obvious" in § 103, first paragraph, reads "suggested by the prior art". So read, § 103 is invalid for failure to "comport[] with constitutional strictures" *id.* at 17.

The Commissioner, bound by that ruling, is foreclosed from the discharge of his "duty . . . to give effect to the constitutional standard" *id.* at 6 and "to strictly adhere to the 1952 Act as interpreted here" *id.* at 18.

(iii) The enfeebled patentability standard was, in effect, concurrently made the law of the land by Federal Circuit fiat promulgated in 1983 that the statutory va-

---

(1950); *Graham v. John Deere Co.*, 383 U.S. 1 (1966); *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57 (1969); *Dann v. Johnston*, 425 U.S. 219 (1976).

[50] *In re Sernaker*, 702 F.2d 989, 995-96 (Fed. Cir. 1983). In 1988, the Federal Circuit ruled:

> The consistent criterion for determination of obviousness is whether the prior art would have suggested to one of ordinary skill in the art that this process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. (Citations omitted.)

In re The Dow Chemical Co., 837 F.2d 469, 473 (Fed. Cir. 1988).

lidity presumption, 35 U.S.C. § 282, is controlling unless rebutted by "clear and convincing evidence".[51]

(iv) It has been the law here since at least 1950 that

> Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements.

A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 152 (1950). That rule has been invariable in this Court. The patent at issue in *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57 (1969) was invalidated without specific reference to *A & P* because the combination of the old elements did not pass "the test of validity of combination patents", 396 U.S. at 59-60. In 1976, the patent in *Sakraida v. Ag Pro, Inc.*, was invalidated on the basis of a finding that "the district court properly followed our admonition in *A & P Tea Co. v. Supermarket Corp. supra*". In accord with these cases, the court, in 1966 in *United States v. Adams*, 383 U.S. 39, 51-52, sustained a patent claim defining a combination of old elements because it found the applicable test to be satisfied by evidence of unexpected result, again without specific reference to *A & P*.

---

[51] Early cases include *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1541, 1549 (Fed. Cir. 1983) and *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359-60 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984).

On June 23, 1988, the Federal Circuit, citing *American Hoist*, ruled:

> Under 35 USC 282, a patent is presumed valid, and an attack on its validity requires proof of facts by "clear and convincing evidence or its equivalent, by whatever form of words it may be expressed."

Buildex, Inc. v. Kason Industries, Inc., 7 USPQ2d 1325, 1326-27, —— F.2d —— (Fed. Cir. 1988).

On September 12, 1988, *The New York Times* reported that:

> In some areas, as many as 27 percent of patents are missing at any one time and cannot be studied by patent examiners, according to the Patent Office. (p. D1)

Nevertheless, the Federal Circuit has rejected the rule in *A & P* for the stated reason that this Court "has itself recognized the patentability of combinations of old elements", citing *Adams*, coupled with the sophism that "virtually every claimed invention is a combination of old elements". *Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563, 1566 (Fed. Cir. 1983) quoted and followed in *Raytheon Company v. Roper Corporation*, 724 F.2d 951, 961 (Fed. Cir. 1983).[52]

(v) The latest in this chain of cases is the June 3, 1988 decision in *Diamond Scientific Co. v. Ambico Inc.*, 6 USPQ2d 2028 which faults the repudiation by this Court of patent assignor[53] and licensee estoppel.[54] While the Federal Circuit found it appropriate to deny assignor estoppel given the facts in *Diamond Scientific*, it is quite clear that the doctrine will be revived at the first opportunity. Indeed concurring judge Newman would have done so in *Diamond Scientific*, 6 USPQ2d at 2034.

The uniformity objective of the Federal Courts Improvement Act of 1982 is defeated by this mosaic of aberrant Federal Circuit opinions.

CONCLUSION

The decision of the Florida Supreme Court should be affirmed.

Respectfully submitted,

EDWARD S. IRONS

---

[52] This court has been unable to construe the cited sentence, however, "as a rule of law applicable broadly to patent cases because virtually every claimed invention is a combination of old elements," *Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, *supra*, at 1566, and because the Supreme Court has held combinations of old elements patentable. *See, e.g., United States v. Adams*, 383 U.S. 39, 51-52, 86 S.Ct. 708, 714-715, 15 L.Ed.2d 572 (1966).

[53] *See Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945).

[54] *See Lear, Inc. v. Adkins*, 395 U.S. 653 (1969).